



## DEPARTMENT OF THE AIR FORCE

HEADQUARTERS AIR FORCE SPACE COMMAND

MEMORANDUM FOR SEE DISTRIBUTION

02 OCT 1998

FROM: HQ AFSPC/LGC  
150 Vandenberg St Ste 1105  
Peterson AFB CO 80914-4350

SUBJECT: INFO.LTR 99-05, Alternate Vehicle Parts Procurement Methods

1. This information letter, INFO.LTR 99-05, is guidance in nature for all AFSPC contracting offices and is issued under the Special Publication System, AFSPCI 64-101, for Specialized Contracting Publications.
2. The attached coordinated message, 112200Z Sept 95, is a result of a congressionally-directed General Accounting Office (GAO) cost comparison study of vehicle repair parts purchased under Contractor Operated Parts Store (COPARS) contracts with those purchased directly from commercial sources (i.e. IMPAC). The final report concluded the most cost-effective method for purchasing vehicle parts varies from base to base and installation commanders are in the best position to determine the appropriate method for acquiring repair parts.
3. The attached message has been reviewed by AF/LGTV and AFSPC/LGTV and is still valid. Based upon the guidance in this message, if a determination is made to convert from COPARS to an alternate procurement method, Contracting Officers need to ensure the financial community, in conjunction with transportation personnel, conduct an economic analysis. The Contracting Officer shall maintain a copy of the economic analysis for future reference.
4. If you have any questions on this subject, contact Major Mark Fahrenkamp, HQ AFSPC/LGCP, DSN 692-5498.

ERIC M. HODGES, Lt Col, USAF  
Chief, Policy/Clearance Branch

Attachment:  
SAF/FM/AQ/LL/HAF/LG Msg 112200Z Sept 95

Distribution:  
Same as AFSPCFARS

GUARDIANS OF THE HIGH FRONTIER

ZNR 00000  
R 112200Z SEP 95  
FM HQ USAF WASHINGTON DC//LG//  
TO ALMAJCOM//LG/FMA//  
RUWTRFA/HQ USAF ACADEMY CO//LG/FMA//  
BT

UNCLAS ALMAJCOM 0242/95  
OBJ: VEHICLE PARTS PROCUREMENT  
MA TAKE FOR INFO ONLY

REF: AF/LGT 222000Z SEP 94 MSG, SUBJ VEHICLE PARTS PROCUREMENT -  
COPARS VERSUS IMPAC (NOTAL)

1. REFERENCED MESSAGE ANNOUNCED CONGRESSIONALLY-DIRECTED GENERAL ACCOUNTING OFFICE (GAO) COST COMPARISON STUDY OF VEHICLE REPAIR PARTS PURCHASED UNDER CONTRACTOR OPERATED PARTS STORE (COPARS) CONTRACTS WITH THOSE PURCHASED DIRECTLY FROM COMMERCIAL SUPPLIERS. CITED MESSAGE DIRECTED ALL BASES CURRENTLY USING COPARS TO CONTINUE WITH CONTRACTS AND POSTPONE ANY PLANNED CONVERSIONS TO OR TESTS OF ALTERNATIVE PARTS PROCUREMENT METHODS UNTIL COMPLETION OF THE GAO COST STUDY.
2. THE GAO REVIEW IS NOW COMPLETE. THE FINAL REPORT FOUND THAT THE MOST COST-EFFECTIVE METHOD FOR PURCHASING VEHICLE REPAIR PARTS

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VARIES FROM BASE TO BASE. MANY MISSION AND LOCAL ECONOMIC FACTORS COMBINE TO MAKE THE PARTS PROCUREMENT ENVIRONMENT DIFFERENT AT EACH BASE. THE REPORT CONCLUDES THAT, GIVEN THESE DIFFERENCES, INSTALLATION COMMANDERS ARE IN THE BEST POSITION TO DETERMINE WHICH APPROACH FOR ACQUIRING PARTS BEST MEETS THEIR NEEDS.

3. IF MAKING A DETERMINATION TO CONVERT FROM COPARS TO AN ALTERNATIVE METHOD, CONGRESSIONAL REPORT LANGUAGE REQUIRES AN ECONOMIC ANALYSIS (EA) BE UNDERTAKEN TO SUBSTANTIATE THE CONVERSION IS ECONOMICALLY JUSTIFIED. INSTALLATION FINANCIAL ANALYSIS PERSONNEL, WORKING WITH TRANSPORTATION REPRESENTATIVES, WILL COMPLETE THE EA FOLLOWING GUIDANCE IN AFI 65-501 AND AFMAN 65-506. KEEP THE ANALYSIS ON FILE, AND ENSURE IT IS SUBSTANTIVE ENOUGH TO WITHSTAND AUDIT/CONGRESSIONAL INQUIRY SCRUTINY. BECAUSE THE PARTS PROCUREMENT ENVIRONMENT DIFFERS AT EACH BASE, SPECIFIC COST FACTORS TO INCLUDE IN THE ANALYSIS ARE TO BE DETERMINED AT THE LOCAL INSTALLATION LEVEL. HOWEVER, AS A MINIMUM, INCLUDE PERSONNEL, PARTS, VEHICLE USAGE, AND ASSETS/EQUIPMENT/SUPPLIES COSTS. WITHIN PERSONNEL COSTS, INCLUDE ALL FUNCTIONS INVOLVED IN THE PARTS PROCUREMENT PROCESS (I.E., CONTRACTING, FINANCE, VEHICLE MAINTENANCE AND OTHER USERS, ETC.). WHEN ANALYZING PARTS COSTS, CONSIDER SUCH FACTORS AS TYPES OF

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VEHICLES IN THE FLEET, VOLUME OF BUSINESS CONDUCTED, VENDOR AVAILABILITY, AND VENDOR DELIVERY/PAYMENT PREFERENCES. VEHICLE USAGE MUST CONSIDER THE OPERATIONS AND MAINTENANCE COSTS OF ALL VEHICLES ASSOCIATED WITH ORDERING, PURCHASING, AND PICKING UP PARTS. ASSETS/EQUIPMENT/SUPPLIES COSTS SHOULD ADDRESS ONE-TIME AND RECURRING COSTS ASSOCIATED WITH COMPUTERS/OFFICE EQUIPMENT, DESKS/CHAIRS/SHELVES, OFFICE SUPPLIES, VEHICLE ACQUISITION, AND ANY POSSIBLE IMPACT ON FACILITY COSTS. ONE FINAL NOTE: WITH RESPECT TO PERSONNEL COSTS, NO ADDITIONAL MANPOWER IS AUTHORIZED IN CONJUNCTION WITH CONVERSION TO AN ALTERNATIVE PARTS PROCUREMENT METHOD.

1. BASED ON THE RESULTS OF THE GAO REVIEW AND THE PREVIOUSLY COMPLETED AIR FORCE AUDIT AGENCY COST STUDY, REFERENCED MESSAGE IS HEREBY RESCINDED. USE THIS MESSAGE AS AUTHORITY TO CONSIDER ALTERNATIVE PARTS PROCUREMENT METHODS AND TO TEST/CONVERT TO ALTERNATIVE METHODS WHEN ECONOMIC ANALYSIS SUPPORTS THEIR COST EFFECTIVENESS. THIS IS A SAF/FM/AQ/LL/HAF/LG COORDINATED MESSAGE. POC IS LT COL RICH MODELL, AF/LGTV, DSN 227-3371.

BT  
#4180